

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5252-01
Bill No.: SB 708
Subject: Economic Development; Disabilities; Revenue Department; Tax Credits
Type: Original
Date: February 9, 2012

Bill Summary: This proposal extends the sunset on the residential dwelling accessibility tax credit and modifies the allocation of tax credit cap from another tax credit program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	\$0	\$0	\$0 to (\$100,000)
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0 to (\$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Budget and Planning** assume this proposal extends the sunset on the Residential Dwelling Accessibility Tax Credit from 12/31/13 to 12/31/16. This will reduce General and Total State Revenues by about \$21,000 in FY 2015-16, based on prior years' redemptions.

Officials at the **Department of Economic Development** and the **Department of Revenue** assume there is no fiscal impact from this proposal.

Oversight assumes this tax credit was to sunset on December 31, 2013 (FY 2014). This proposal extends the tax credit and therefore Oversight will show the loss to state revenue of the tax credits issued in FY 15. This tax credit has a statutory cap of \$100,000 and therefore, Oversight for the fiscal note is showing the amount of loss of revenue in future years to the State as zero to the annual cap of \$100,000.

Oversight assumes this proposal would prohibit the issuance of any further tax credits under this program after December 31, 2016. Oversight assumes any income to the state from tax credits not issued and the taxes being collected would be outside the fiscal note period. Taxes would start being collected in FY 2017.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE			
<u>Revenue Reduction</u> - extension of the tax credit	<u>\$0</u>	<u>\$0</u>	<u>\$0 to (\$100,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0</u>	<u>\$0</u>	<u>\$0 to (\$100,000)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

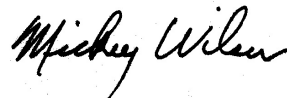
This act extends the sunset from December 2013 to December 2016 on the section of law that creates the tax credit for certain taxpayers who modify their homes to make them accessible for a disabled resident.

Currently, the Rebuilding Communities Tax Credit program has a ten million dollar annual cap. If there are tax credits remaining under the cap, up to 100,000 dollars of this tax credit cap shall first be used for the residential dwelling accessibility tax credit. This act repeals the requirement that tax credits under the Rebuilding Communities Tax Credit cap be provided to the Residential Dwelling Accessibility Tax Credit.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Budget and Planning
Department of Economic Development
Department of Revenue



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Director
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